

ASSEMBLY BILL

No. 1541

Introduced by Assembly Member Chavez

February 22, 2005

An act to amend Section 654.1 of the Business and Professions Code, relating to healing arts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1541, as introduced, Chavez. Referral to clinical laboratory.

Existing law provides for the licensing and regulation of various healing arts professionals, including dentists, physician and surgeons, and osteopaths. Existing law requires a licensed dentist, physician and surgeon, or osteopath referring a patient, client, or customer to a clinical laboratory in which the licensee has a membership, proprietary interest, coownership, or profit-sharing arrangement to provide the patient, client, or customer with a written disclosure. Existing law requires the disclosure to indicate that the patient may choose any clinical laboratory.

This bill would instead require the written disclosure to indicate that the patient may choose any state licensed or registered clinical laboratory.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 654.1 of the Business and Professions
- 2 Code is amended to read:
- 3 654.1. Persons licensed under Chapter 4 (commencing with
- 4 Section 1600) of this division or licensed under Chapter 5

1 (commencing with Section 2000) of this division or licensed
2 under any initiative act referred to in this division relating to
3 osteopaths may not refer patients, clients, or customers to any
4 clinical laboratory licensed under Section 1265 in which the
5 licensee has any membership, proprietary interest, or
6 coownership in any form, or has any profit-sharing arrangement,
7 unless the licensee at the time of making such referral discloses
8 in writing such interest to the patient, client, or customer. The
9 written disclosure shall indicate that the patient may choose any
10 *state licensed or registered* clinical laboratory for purposes of
11 having any laboratory work or assignment performed.

12 This section shall not apply to persons who are members of a
13 medical group which contracts to provide medical care to
14 members of a group practice prepayment plan registered under
15 the Knox-Keene Health Care Service Act of 1975, Chapter 2.2
16 (commencing with Section 1340) of Division 2 of the Health and
17 Safety Code.

18 This section shall not apply to any referral to a clinical
19 laboratory which is owned and operated by a health facility
20 licensed pursuant to Chapter 2 (commencing with Section 1250)
21 of Division 2 of the Health and Safety Code.

22 This section does not prohibit the acceptance of evaluation
23 specimens for proficiency testing or referral of specimens or such
24 assignment from one clinical laboratory to another clinical
25 laboratory, either licensed or exempt under this chapter,
26 providing the report indicates clearly the laboratory performing
27 the test.

28 “Proprietary interest” does not include ownership of a building
29 where space is leased to a clinical laboratory at the prevailing
30 rate under a straight lease arrangement.

31 A violation of this section is a public offense and is punishable
32 upon a first conviction by imprisonment in the county jail for not
33 more than one year, or by imprisonment in the state prison, or by
34 a fine not exceeding ten thousand dollars (\$10,000), or by both
35 such imprisonment and fine. A second or subsequent conviction
36 shall be punishable by imprisonment in the state prison.